

**E2SHB 1291** - CONF REPT  
By Conference Committee

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

4 (a) Thousands of patients are injured each year in the United  
5 States as a result of medical errors, and that a comprehensive approach  
6 is needed to effectively reduce the incidence of medical errors in our  
7 health care system. Implementation of proven patient safety strategies  
8 can reduce medical errors, and thereby potentially reduce the need for  
9 disciplinary actions against licensed health care professionals and  
10 facilities, and the frequency and severity of medical malpractice  
11 claims; and

12 (b) Health care providers, health care facilities, and health  
13 carriers can and should be supported in their efforts to improve  
14 patient safety and reduce medical errors by encouraging health care  
15 facilities and providers to communicate openly with patients regarding  
16 medical errors that have occurred and steps that can be taken to  
17 prevent errors from occurring in the future, encouraging health care  
18 facilities and providers to work cooperatively in their patient safety  
19 efforts, and increasing funding available to implement proven patient  
20 safety strategies.

21 (2) Through the adoption of this act, the legislature intends to  
22 positively influence the safety and quality of care provided in  
23 Washington state's health care system.

24 **Sec. 2.** RCW 5.64.010 and 1975-'76 2nd ex.s. c 56 s 3 are each  
25 amended to read as follows:

26 (1) In any civil action against a health care provider for personal  
27 injuries which is based upon alleged professional negligence (~~and~~  
28 ~~which is against:~~

1       ~~(1) A person licensed by this state to provide health care or~~  
2 ~~related services, including, but not limited to, a physician,~~  
3 ~~osteopathic physician, dentist, nurse, optometrist, podiatrist,~~  
4 ~~chiropractor, physical therapist, psychologist, pharmacist, optician,~~  
5 ~~physician's assistant, osteopathic physician's assistant, nurse~~  
6 ~~practitioner, or physician's trained mobile intensive care paramedic,~~  
7 ~~including, in the event such person is deceased, his estate or personal~~  
8 ~~representative;~~

9       ~~(2) An employee or agent of a person described in subsection (1) of~~  
10 ~~this section, acting in the course and scope of his employment,~~  
11 ~~including, in the event such employee or agent is deceased, his estate~~  
12 ~~or personal representative; or~~

13       ~~(3) An entity, whether or not incorporated, facility, or~~  
14 ~~institution employing one or more persons described in subsection (1)~~  
15 ~~of this section, including, but not limited to, a hospital, clinic,~~  
16 ~~health maintenance organization, or nursing home; or an officer,~~  
17 ~~director, employee, or agent thereof acting in the course and scope of~~  
18 ~~his employment, including, in the event such officer, director,~~  
19 ~~employee, or agent is deceased, his estate or personal~~  
20 ~~representative;)), or in any arbitration or mediation proceeding~~  
21 related to such civil action, evidence of furnishing or offering or  
22 promising to pay medical, hospital, or similar expenses occasioned by  
23 an injury is not admissible ((to prove liability for the injury)).

24       (2)(a) In a civil action against a health care provider for  
25 personal injuries that is based upon alleged professional negligence,  
26 or in any arbitration or mediation proceeding related to such civil  
27 action, a statement, affirmation, gesture, or conduct identified in (b)  
28 of this subsection is inadmissible as evidence if:

29       (i) More than twenty days before commencement of trial it was  
30 conveyed by a health care provider to the injured person, or to a  
31 person specified in RCW 7.70.065(1); and

32       (ii) It relates to the discomfort, pain, suffering, injury, or  
33 death of the injured person as the result of the alleged professional  
34 negligence.

35       (b) (a) of this subsection applies to:

36       (i) Any statement, affirmation, gesture, or conduct expressing  
37 apology, fault, sympathy, commiseration, condolence, compassion, or a  
38 general sense of benevolence; or

1        (ii) Any statement or affirmation regarding remedial actions that  
2 may be taken to address the act or omission that is the basis for the  
3 allegation of negligence.

4        **Sec. 3.** RCW 4.24.260 and 1994 sp.s. c 9 s 701 are each amended to  
5 read as follows:

6        (~~Physicians licensed under chapter 18.71 RCW, dentists licensed~~  
7 ~~under chapter 18.32 RCW, and pharmacists licensed under chapter 18.64~~  
8 ~~RCW)) Any member of a health profession listed under RCW 18.130.040  
9 who, in good faith, makes a report, files charges, or presents evidence  
10 against another member of ((their)) a health profession based on the  
11 claimed ((incompetency or gross misconduct)) unprofessional conduct as  
12 provided in RCW 18.130.180 or inability to practice with reasonable  
13 skill and safety to consumers by reason of any physical or mental  
14 condition as provided in RCW 18.130.170 of such person before the  
15 ~~((medical quality assurance commission established under chapter 18.71~~  
16 ~~RCW, in a proceeding under chapter 18.32 RCW, or to the board of~~  
17 ~~pharmacy under RCW 18.64.160)) agency, board, or commission responsible  
18 for disciplinary activities for the person's profession under chapter  
19 18.130 RCW, shall be immune from civil action for damages arising out  
20 of such activities. A person prevailing upon the good faith defense  
21 provided for in this section is entitled to recover expenses and  
22 reasonable attorneys' fees incurred in establishing the defense.~~~~

23        **Sec. 4.** RCW 18.130.160 and 2001 c 195 s 1 are each amended to read  
24 as follows:

25        Upon a finding, after hearing, that a license holder or applicant  
26 has committed unprofessional conduct or is unable to practice with  
27 reasonable skill and safety due to a physical or mental condition, the  
28 disciplining authority may consider the imposition of sanctions, taking  
29 into account any prior findings of fact under RCW 18.130.110, any  
30 stipulations to informal disposition under RCW 18.130.172, and any  
31 action taken by other in-state or out-of-state disciplining  
32 authorities, and issue an order providing for one or any combination of  
33 the following:

- 34        (1) Revocation of the license;
- 35        (2) Suspension of the license for a fixed or indefinite term;
- 36        (3) Restriction or limitation of the practice;

1 (4) Requiring the satisfactory completion of a specific program of  
2 remedial education or treatment;

3 (5) The monitoring of the practice by a supervisor approved by the  
4 disciplining authority;

5 (6) Censure or reprimand;

6 (7) Compliance with conditions of probation for a designated period  
7 of time;

8 (8) Payment of a fine for each violation of this chapter, not to  
9 exceed five thousand dollars per violation. Funds received shall be  
10 placed in the health professions account;

11 (9) Denial of the license request;

12 (10) Corrective action;

13 (11) Refund of fees billed to and collected from the consumer;

14 (12) A surrender of the practitioner's license in lieu of other  
15 sanctions, which must be reported to the federal data bank.

16 Any of the actions under this section may be totally or partly  
17 stayed by the disciplining authority. In determining what action is  
18 appropriate, the disciplining authority must first consider what  
19 sanctions are necessary to protect or compensate the public. Only  
20 after such provisions have been made may the disciplining authority  
21 consider and include in the order requirements designed to rehabilitate  
22 the license holder or applicant. All costs associated with compliance  
23 with orders issued under this section are the obligation of the license  
24 holder or applicant.

25 The licensee or applicant may enter into a stipulated disposition  
26 of charges that includes one or more of the sanctions of this section,  
27 but only after a statement of charges has been issued and the licensee  
28 has been afforded the opportunity for a hearing and has elected on the  
29 record to forego such a hearing. The stipulation shall either contain  
30 one or more specific findings of unprofessional conduct or inability to  
31 practice, or a statement by the licensee acknowledging that evidence is  
32 sufficient to justify one or more specified findings of unprofessional  
33 conduct or inability to practice. The stipulation entered into  
34 pursuant to this subsection shall be considered formal disciplinary  
35 action for all purposes.

36 NEW SECTION. **Sec. 5.** The definitions in this section apply  
37 throughout this chapter unless the context clearly requires otherwise.

1 (1) "Adverse event" means any of the following events or  
2 occurrences:

3 (a) An unanticipated death or major permanent loss of function, not  
4 related to the natural course of a patient's illness or underlying  
5 condition;

6 (b) A patient suicide while the patient was under care in the  
7 hospital;

8 (c) An infant abduction or discharge to the wrong family;

9 (d) Sexual assault or rape of a patient or staff member while in  
10 the hospital;

11 (e) A hemolytic transfusion reaction involving administration of  
12 blood or blood products having major blood group incompatibilities;

13 (f) Surgery performed on the wrong patient or wrong body part;

14 (g) A failure or major malfunction of a facility system such as the  
15 heating, ventilation, fire alarm, fire sprinkler, electrical,  
16 electronic information management, or water supply which affects any  
17 patient diagnosis, treatment, or care service within the facility; or

18 (h) A fire which affects any patient diagnosis, treatment, or care  
19 area of the facility.

20 The term does not include an incident.

21 (2) "Ambulatory surgical facility" means any distinct entity that  
22 operates exclusively for the purpose of providing surgical services to  
23 patients not requiring hospitalization, whether or not the facility is  
24 certified under Title XVIII of the federal social security act.

25 (3) "Childbirth center" means a facility licensed under chapter  
26 18.46 RCW.

27 (4) "Correctional medical facility" means a part or unit of a  
28 correctional facility operated by the department of corrections under  
29 chapter 72.10 RCW that provides medical services for lengths of stay in  
30 excess of twenty-four hours to offenders.

31 (5) "Department" means the department of health.

32 (6) "Health care worker" means an employee, independent contractor,  
33 licensee, or other individual who is directly involved in the delivery  
34 of health services in a medical facility.

35 (7) "Hospital" means a facility licensed under chapter 70.41 RCW.

36 (8) "Incident" means an event, occurrence, or situation involving  
37 the clinical care of a patient in a medical facility which:

1 (a) Results in unanticipated injury to a patient that is less  
2 severe than death or major permanent loss of function and is not  
3 related to the natural course of the patient's illness or underlying  
4 condition; or

5 (b) Could have injured the patient but did not either cause an  
6 unanticipated injury or require the delivery of additional health care  
7 services to the patient.

8 The term does not include an adverse event.

9 (9) "Medical facility" means an ambulatory surgical facility,  
10 childbirth center, hospital, psychiatric hospital, or correctional  
11 medical facility.

12 (10) "Psychiatric hospital" means a hospital facility licensed as  
13 a psychiatric hospital under chapter 71.12 RCW.

14 NEW SECTION. **Sec. 6.** (1) Each medical facility shall report to  
15 the department the occurrence of any adverse event. The report must be  
16 submitted to the department within forty-five days after occurrence of  
17 the event has been confirmed.

18 (2) The report shall be filed in a format specified by the  
19 department after consultation with medical facilities. It shall  
20 identify the facility but shall not include any identifying information  
21 for any of the health care professionals, facility employees, or  
22 patients involved. This provision does not modify the duty of a  
23 hospital to make a report to the department of health or a disciplinary  
24 authority if a licensed practitioner has committed unprofessional  
25 conduct as defined in RCW 18.130.180.

26 (3) Any medical facility or health care worker may report an  
27 incident to the department. The report shall be filed in a format  
28 specified by the department after consultation with medical facilities  
29 and shall identify the facility but shall not include any identifying  
30 information for any of the health care professionals, facility  
31 employees, or patients involved. This provision does not modify the  
32 duty of a hospital to make a report to the department of health or a  
33 disciplinary authority if a licensed practitioner has committed  
34 unprofessional conduct as defined in RCW 18.130.180.

35 (4) If, in the course of investigating a complaint received from an  
36 employee of a licensed medical facility, the department determines that  
37 the facility has not undertaken efforts to investigate the occurrence

1 of an adverse event, the department shall direct the facility to  
2 undertake an investigation of the event. If a complaint related to a  
3 potential adverse event involves care provided in an ambulatory  
4 surgical facility, the department shall notify the facility and request  
5 that they undertake an investigation of the event. The protections of  
6 RCW 43.70.075 apply to complaints related to adverse events or  
7 incidents that are submitted in good faith by employees of medical  
8 facilities.

9 NEW SECTION. **Sec. 7.** The department shall:

10 (1) Receive reports of adverse events and incidents under section  
11 6 of this act;

12 (2) Investigate adverse events;

13 (3) Establish a system for medical facilities and the health care  
14 workers of a medical facility to report adverse events and incidents,  
15 which shall be accessible twenty-four hours a day, seven days a week;

16 (4) Adopt rules as necessary to implement this act;

17 (5) Directly or by contract:

18 (a) Collect, analyze, and evaluate data regarding reports of  
19 adverse events and incidents, including the identification of  
20 performance indicators and patterns in frequency or severity at certain  
21 medical facilities or in certain regions of the state;

22 (b) Develop recommendations for changes in health care practices  
23 and procedures, which may be instituted for the purpose of reducing the  
24 number and severity of adverse events and incidents;

25 (c) Directly advise reporting medical facilities of immediate  
26 changes that can be instituted to reduce adverse events and incidents;

27 (d) Issue recommendations to medical facilities on a facility-  
28 specific or on a statewide basis regarding changes, trends, and  
29 improvements in health care practices and procedures for the purpose of  
30 reducing the number and severity of adverse events and incidents.

31 Prior to issuing recommendations, consideration shall be given to the  
32 following factors: Expectation of improved quality care,

33 implementation feasibility, other relevant implementation practices,  
34 and the cost impact to patients, payers, and medical facilities.

35 Statewide recommendations shall be issued to medical facilities on a  
36 continuing basis and shall be published and posted on the department's

37 publicly accessible web site. The recommendations made to medical

1 facilities under this section shall not be considered mandatory for  
2 licensure purposes unless they are adopted by the department as rules  
3 pursuant to chapter 34.05 RCW; and

4 (e) Monitor implementation of reporting systems addressing adverse  
5 events or their equivalent in other states and make recommendations to  
6 the governor and the legislature as necessary for modifications to this  
7 chapter to keep the system as nearly consistent as possible with  
8 similar systems in other states;

9 (6) Report no later than January 1, 2007, and annually thereafter  
10 to the governor and the legislature on the department's activities  
11 under this act in the preceding year. The report shall include:

12 (a) The number of adverse events and incidents reported by medical  
13 facilities on a geographical basis and their outcomes;

14 (b) The information derived from the data collected including any  
15 recognized trends concerning patient safety; and

16 (c) Recommendations for statutory or regulatory changes that may  
17 help improve patient safety in the state.

18 The annual report shall be made available for public inspection and  
19 shall be posted on the department's web site;

20 (7) Conduct all activities under this section in a manner that  
21 preserves the confidentiality of documents, materials, or information  
22 made confidential by section 9 of this act.

23 NEW SECTION. **Sec. 8.** (1) Medical facilities licensed by the  
24 department shall have in place policies to assure that, when  
25 appropriate, information about unanticipated outcomes is provided to  
26 patients or their families or any surrogate decision makers identified  
27 pursuant to RCW 7.70.065. Notifications of unanticipated outcomes  
28 under this section do not constitute an acknowledgment or admission of  
29 liability, nor can the fact of notification or the content disclosed be  
30 introduced as evidence in a civil action.

31 (2) Beginning January 1, 2006, the department shall, during the  
32 survey of a licensed medical facility, ensure that the policy required  
33 in subsection (1) of this section is in place.

34 NEW SECTION. **Sec. 9.** When a report of an adverse event or  
35 incident under section 6 of this act is made by or through a  
36 coordinated quality improvement program under RCW 43.70.510 or

1 70.41.200, or by a peer review committee under RCW 4.24.250,  
2 information and documents, including complaints and incident reports,  
3 created specifically for and collected and maintained by a quality  
4 improvement committee for the purpose of preparing a report of an  
5 adverse event or incident shall be subject to the confidentiality  
6 protections of those laws and RCW 42.17.310(1)(hh).

7 **Sec. 10.** RCW 43.70.110 and 1993 sp.s. c 24 s 918 are each amended  
8 to read as follows:

9 (1) The secretary shall charge fees to the licensee for obtaining  
10 a license. After June 30, 1995, municipal corporations providing  
11 emergency medical care and transportation services pursuant to chapter  
12 18.73 RCW shall be exempt from such fees, provided that such other  
13 emergency services shall only be charged for their pro rata share of  
14 the cost of licensure and inspection, if appropriate. The secretary  
15 may waive the fees when, in the discretion of the secretary, the fees  
16 would not be in the best interest of public health and safety, or when  
17 the fees would be to the financial disadvantage of the state.

18 (2) Except as provided in section 12 of this act, fees charged  
19 shall be based on, but shall not exceed, the cost to the department for  
20 the licensure of the activity or class of activities and may include  
21 costs of necessary inspection.

22 (3) Department of health advisory committees may review fees  
23 established by the secretary for licenses and comment upon the  
24 appropriateness of the level of such fees.

25 **Sec. 11.** RCW 43.70.250 and 1996 c 191 s 1 are each amended to read  
26 as follows:

27 It shall be the policy of the state of Washington that the cost of  
28 each professional, occupational, or business licensing program be fully  
29 borne by the members of that profession, occupation, or business. The  
30 secretary shall from time to time establish the amount of all  
31 application fees, license fees, registration fees, examination fees,  
32 permit fees, renewal fees, and any other fee associated with licensing  
33 or regulation of professions, occupations, or businesses administered  
34 by the department. In fixing said fees, the secretary shall set the  
35 fees for each program at a sufficient level to defray the costs of  
36 administering that program and the patient safety fee established in

1 section 12 of this act. All such fees shall be fixed by rule adopted  
2 by the secretary in accordance with the provisions of the  
3 administrative procedure act, chapter 34.05 RCW.

4 NEW SECTION. Sec. 12. A new section is added to chapter 43.70 RCW  
5 to read as follows:

6 (1) The secretary shall increase the licensing fee established  
7 under RCW 43.70.110 by two dollars for the health care professionals  
8 designated in subsection (2) of this section and by two dollars per  
9 licensed bed for the health care facilities designated in subsection  
10 (2) of this section. Proceeds of the patient safety fee must be  
11 deposited into the patient safety account in section 16 of this act and  
12 dedicated to patient safety and medical error reduction efforts that  
13 have been proven to improve, or have a substantial likelihood of  
14 improving the quality of care provided by health care professionals and  
15 facilities.

16 (2) The health care professionals and facilities subject to the  
17 patient safety fee are:

18 (a) The following health care professionals licensed under Title 18  
19 RCW:

20 (i) Registered nurses and licensed practical nurses licensed under  
21 chapter 18.79 RCW;

22 (ii) Chiropractors licensed under chapter 18.25 RCW;

23 (iii) Dentists licensed under chapter 18.32 RCW;

24 (iv) Midwives licensed under chapter 18.50 RCW;

25 (v) Naturopaths licensed under chapter 18.36A RCW;

26 (vi) Optometrists licensed under chapter 18.53 RCW;

27 (vii) Osteopathic physicians licensed under chapter 18.57 RCW;

28 (viii) Osteopathic physicians' assistants licensed under chapter  
29 18.57A RCW;

30 (ix) Pharmacists and pharmacies licensed under chapter 18.64 RCW;

31 (x) Physicians licensed under chapter 18.71 RCW;

32 (xi) Physician assistants licensed under chapter 18.71A RCW;

33 (xii) Podiatrists licensed under chapter 18.22 RCW; and

34 (xiii) Psychologists licensed under chapter 18.83 RCW; and

35 (b) Hospitals licensed under chapter 70.41 RCW and psychiatric  
36 hospitals licensed under chapter 71.12 RCW.

1        NEW SECTION.    **Sec. 13.**    A new section is added to chapter 7.70 RCW  
2 to read as follows:

3        (1) One percent of all attorneys' fees received for representation  
4 of claimants or defendants in actions brought under this chapter that  
5 result in payment to a claimant shall be paid as a patient safety set  
6 aside. Proceeds of the patient safety set aside will be distributed by  
7 the department of health in the form of grants, loans, or other  
8 appropriate arrangements to support strategies that have been proven to  
9 reduce medical errors and enhance patient safety, or have a substantial  
10 likelihood of reducing medical errors and enhancing patient safety, as  
11 provided in section 12 of this act.

12        (2) A patient safety set aside shall be transmitted to the  
13 secretary of the department of health by the attorney who receives fees  
14 under subsection (1) of this section for deposit into the patient  
15 safety account established in section 16 of this act.

16        (3) The Washington state supreme court may by rule adopt procedures  
17 to implement this section.

18        NEW SECTION.    **Sec. 14.**    A new section is added to chapter 43.70 RCW  
19 to read as follows:

20        (1)(a) Patient safety fee and set aside proceeds shall be  
21 administered by the department, after seeking input from health care  
22 providers engaged in direct patient care activities, health care  
23 facilities, health care provider organizations, and other interested  
24 parties. In developing criteria for the award of grants, loans, or  
25 other appropriate arrangements under this section, the department shall  
26 rely primarily upon evidence-based practices to improve patient safety  
27 that have been identified and recommended by governmental and private  
28 organizations, including, but not limited to:

- 29        (i) The federal agency for health care quality and research;
- 30        (ii) The institute of medicine of the national academy of sciences;
- 31        (iii) The joint commission on accreditation of health care  
32 organizations; and
- 33        (iv) The national quality forum.

34        (b) The department shall award grants, loans, or other appropriate  
35 arrangements for at least two strategies that are designed to meet the  
36 goals and recommendations of the federal institute of medicine's

1 report, "Keeping Patients Safe: Transforming the Work Environment of  
2 Nurses."

3 (2) Projects that have been proven to reduce medical errors and  
4 enhance patient safety shall receive priority for funding over those  
5 that are not proven, but have a substantial likelihood of reducing  
6 medical errors and enhancing patient safety. All project proposals  
7 must include specific performance and outcome measures by which to  
8 evaluate the effectiveness of the project. Project proposals that do  
9 not propose to use a proven patient safety strategy must include, in  
10 addition to performance and outcome measures, a detailed description of  
11 the anticipated outcomes of the project based upon any available  
12 related research and the steps for achieving those outcomes.

13 (3) The department may use a portion of the patient safety fee  
14 proceeds for the costs of administering the program.

15 NEW SECTION. **Sec. 15.** A new section is added to chapter 43.70 RCW  
16 to read as follows:

17 The secretary may solicit and accept grants or other funds from  
18 public and private sources to support patient safety and medical error  
19 reduction efforts under this act. Any grants or funds received may be  
20 used to enhance these activities as long as program standards  
21 established by the secretary are followed.

22 NEW SECTION. **Sec. 16.** A new section is added to chapter 43.70 RCW  
23 to read as follows:

24 The patient safety account is created in the state treasury. All  
25 receipts from the fees and set asides created in sections 12 and 13 of  
26 this act must be deposited into the account. Expenditures from the  
27 account may be used only for the purposes of this act. Moneys in the  
28 account may be spent only after appropriation.

29 NEW SECTION. **Sec. 17.** A new section is added to chapter 43.70 RCW  
30 to read as follows:

31 By December 1, 2008, the department shall report the following  
32 information to the governor and the health policy and fiscal committees  
33 of the legislature:

34 (1) The amount of patient safety fees and set asides deposited to  
35 date in the patient safety account;

1 (2) The criteria for distribution of grants, loans, or other  
2 appropriate arrangements under this act; and

3 (3) A description of the medical error reduction and patient safety  
4 grants and loans distributed to date, including the stated performance  
5 measures, activities, timelines, and detailed information regarding  
6 outcomes for each project.

7 **Sec. 18.** RCW 43.70.510 and 2004 c 145 s 2 are each amended to read  
8 as follows:

9 (1)(a) Health care institutions and medical facilities, other than  
10 hospitals, that are licensed by the department, professional societies  
11 or organizations, health care service contractors, health maintenance  
12 organizations, health carriers approved pursuant to chapter 48.43 RCW,  
13 and any other person or entity providing health care coverage under  
14 chapter 48.42 RCW that is subject to the jurisdiction and regulation of  
15 any state agency or any subdivision thereof may maintain a coordinated  
16 quality improvement program for the improvement of the quality of  
17 health care services rendered to patients and the identification and  
18 prevention of medical malpractice as set forth in RCW 70.41.200.

19 (b) All such programs shall comply with the requirements of RCW  
20 70.41.200(1) (a), (c), (d), (e), (f), (g), and (h) as modified to  
21 reflect the structural organization of the institution, facility,  
22 professional societies or organizations, health care service  
23 contractors, health maintenance organizations, health carriers, or any  
24 other person or entity providing health care coverage under chapter  
25 48.42 RCW that is subject to the jurisdiction and regulation of any  
26 state agency or any subdivision thereof, unless an alternative quality  
27 improvement program substantially equivalent to RCW 70.41.200(1)(a) is  
28 developed. All such programs, whether complying with the requirement  
29 set forth in RCW 70.41.200(1)(a) or in the form of an alternative  
30 program, must be approved by the department before the discovery  
31 limitations provided in subsections (3) and (4) of this section and the  
32 exemption under RCW 42.17.310(1)(hh) and subsection (5) of this section  
33 shall apply. In reviewing plans submitted by licensed entities that  
34 are associated with physicians' offices, the department shall ensure  
35 that the exemption under RCW 42.17.310(1)(hh) and the discovery  
36 limitations of this section are applied only to information and

1 documents related specifically to quality improvement activities  
2 undertaken by the licensed entity.

3 (2) Health care provider groups of five or more providers may  
4 maintain a coordinated quality improvement program for the improvement  
5 of the quality of health care services rendered to patients and the  
6 identification and prevention of medical malpractice as set forth in  
7 RCW 70.41.200. For purposes of this section, a health care provider  
8 group may be a consortium of providers consisting of five or more  
9 providers in total. All such programs shall comply with the  
10 requirements of RCW 70.41.200(1) (a), (c), (d), (e), (f), (g), and (h)  
11 as modified to reflect the structural organization of the health care  
12 provider group. All such programs must be approved by the department  
13 before the discovery limitations provided in subsections (3) and (4) of  
14 this section and the exemption under RCW 42.17.310(1)(hh) and  
15 subsection (5) of this section shall apply.

16 (3) Any person who, in substantial good faith, provides information  
17 to further the purposes of the quality improvement and medical  
18 malpractice prevention program or who, in substantial good faith,  
19 participates on the quality improvement committee shall not be subject  
20 to an action for civil damages or other relief as a result of such  
21 activity. Any person or entity participating in a coordinated quality  
22 improvement program that, in substantial good faith, shares information  
23 or documents with one or more other programs, committees, or boards  
24 under subsection (6) of this section is not subject to an action for  
25 civil damages or other relief as a result of the activity or its  
26 consequences. For the purposes of this section, sharing information is  
27 presumed to be in substantial good faith. However, the presumption may  
28 be rebutted upon a showing of clear, cogent, and convincing evidence  
29 that the information shared was knowingly false or deliberately  
30 misleading.

31 (4) Information and documents, including complaints and incident  
32 reports, created specifically for, and collected, and maintained by a  
33 quality improvement committee are not subject to discovery or  
34 introduction into evidence in any civil action, and no person who was  
35 in attendance at a meeting of such committee or who participated in the  
36 creation, collection, or maintenance of information or documents  
37 specifically for the committee shall be permitted or required to  
38 testify in any civil action as to the content of such proceedings or

1 the documents and information prepared specifically for the committee.  
2 This subsection does not preclude: (a) In any civil action, the  
3 discovery of the identity of persons involved in the medical care that  
4 is the basis of the civil action whose involvement was independent of  
5 any quality improvement activity; (b) in any civil action, the  
6 testimony of any person concerning the facts that form the basis for  
7 the institution of such proceedings of which the person had personal  
8 knowledge acquired independently of such proceedings; (c) in any civil  
9 action by a health care provider regarding the restriction or  
10 revocation of that individual's clinical or staff privileges,  
11 introduction into evidence information collected and maintained by  
12 quality improvement committees regarding such health care provider; (d)  
13 in any civil action challenging the termination of a contract by a  
14 state agency with any entity maintaining a coordinated quality  
15 improvement program under this section if the termination was on the  
16 basis of quality of care concerns, introduction into evidence of  
17 information created, collected, or maintained by the quality  
18 improvement committees of the subject entity, which may be under terms  
19 of a protective order as specified by the court; (e) in any civil  
20 action, disclosure of the fact that staff privileges were terminated or  
21 restricted, including the specific restrictions imposed, if any and the  
22 reasons for the restrictions; or (f) in any civil action, discovery and  
23 introduction into evidence of the patient's medical records required by  
24 rule of the department of health to be made regarding the care and  
25 treatment received.

26 (5) Information and documents created specifically for, and  
27 collected and maintained by a quality improvement committee are exempt  
28 from disclosure under chapter 42.17 RCW.

29 (6) A coordinated quality improvement program may share information  
30 and documents, including complaints and incident reports, created  
31 specifically for, and collected and maintained by a quality improvement  
32 committee or a peer review committee under RCW 4.24.250 with one or  
33 more other coordinated quality improvement programs maintained in  
34 accordance with this section or with RCW 70.41.200 or a peer review  
35 committee under RCW 4.24.250, for the improvement of the quality of  
36 health care services rendered to patients and the identification and  
37 prevention of medical malpractice. The privacy protections of chapter  
38 70.02 RCW and the federal health insurance portability and

1 accountability act of 1996 and its implementing regulations apply to  
2 the sharing of individually identifiable patient information held by a  
3 coordinated quality improvement program. Any rules necessary to  
4 implement this section shall meet the requirements of applicable  
5 federal and state privacy laws. Information and documents disclosed by  
6 one coordinated quality improvement program to another coordinated  
7 quality improvement program or a peer review committee under RCW  
8 4.24.250 and any information and documents created or maintained as a  
9 result of the sharing of information and documents shall not be subject  
10 to the discovery process and confidentiality shall be respected as  
11 required by subsection (4) of this section and RCW 4.24.250.

12 (7) The department of health shall adopt rules as are necessary to  
13 implement this section.

14 NEW SECTION. **Sec. 19.** The legislature finds that prescription  
15 drug errors occur because the pharmacist or nurse cannot read the  
16 prescription from the physician or other provider with prescriptive  
17 authority. The legislature further finds that legible prescriptions  
18 can prevent these errors.

19 **Sec. 20.** RCW 69.41.010 and 2003 c 257 s 2 and 2003 c 140 s 11 are  
20 each reenacted and amended to read as follows:

21 As used in this chapter, the following terms have the meanings  
22 indicated unless the context clearly requires otherwise:

23 (1) "Administer" means the direct application of a legend drug  
24 whether by injection, inhalation, ingestion, or any other means, to the  
25 body of a patient or research subject by:

26 (a) A practitioner; or

27 (b) The patient or research subject at the direction of the  
28 practitioner.

29 (2) "Community-based care settings" include: Community residential  
30 programs for the developmentally disabled, certified by the department  
31 of social and health services under chapter 71A.12 RCW; adult family  
32 homes licensed under chapter 70.128 RCW; and boarding homes licensed  
33 under chapter 18.20 RCW. Community-based care settings do not include  
34 acute care or skilled nursing facilities.

35 (3) "Deliver" or "delivery" means the actual, constructive, or

1 attempted transfer from one person to another of a legend drug, whether  
2 or not there is an agency relationship.

3 (4) "Department" means the department of health.

4 (5) "Dispense" means the interpretation of a prescription or order  
5 for a legend drug and, pursuant to that prescription or order, the  
6 proper selection, measuring, compounding, labeling, or packaging  
7 necessary to prepare that prescription or order for delivery.

8 (6) "Dispenser" means a practitioner who dispenses.

9 (7) "Distribute" means to deliver other than by administering or  
10 dispensing a legend drug.

11 (8) "Distributor" means a person who distributes.

12 (9) "Drug" means:

13 (a) Substances recognized as drugs in the official United States  
14 pharmacopoeia, official homeopathic pharmacopoeia of the United States,  
15 or official national formulary, or any supplement to any of them;

16 (b) Substances intended for use in the diagnosis, cure, mitigation,  
17 treatment, or prevention of disease in man or animals;

18 (c) Substances (other than food, minerals or vitamins) intended to  
19 affect the structure or any function of the body of man or animals; and

20 (d) Substances intended for use as a component of any article  
21 specified in (a), (b), or (c) of this subsection. It does not include  
22 devices or their components, parts, or accessories.

23 (10) "Electronic communication of prescription information" means  
24 the communication of prescription information by computer, or the  
25 transmission of an exact visual image of a prescription by facsimile,  
26 or other electronic means for original prescription information or  
27 prescription refill information for a legend drug between an authorized  
28 practitioner and a pharmacy or the transfer of prescription information  
29 for a legend drug from one pharmacy to another pharmacy.

30 (11) "In-home care settings" include an individual's place of  
31 temporary and permanent residence, but does not include acute care or  
32 skilled nursing facilities, and does not include community-based care  
33 settings.

34 (12) "Legend drugs" means any drugs which are required by state law  
35 or regulation of the state board of pharmacy to be dispensed on  
36 prescription only or are restricted to use by practitioners only.

37 (13) "Legible prescription" means a prescription or medication  
38 order issued by a practitioner that is capable of being read and

1 understood by the pharmacist filling the prescription or the nurse or  
2 other practitioner implementing the medication order. A prescription  
3 must be hand printed, typewritten, or electronically generated.

4 (14) "Medication assistance" means assistance rendered by a  
5 nonpractitioner to an individual residing in a community-based care  
6 setting or in-home care setting to facilitate the individual's self-  
7 administration of a legend drug or controlled substance. It includes  
8 reminding or coaching the individual, handing the medication container  
9 to the individual, opening the individual's medication container, using  
10 an enabler, or placing the medication in the individual's hand, and  
11 such other means of medication assistance as defined by rule adopted by  
12 the department. A nonpractitioner may help in the preparation of  
13 legend drugs or controlled substances for self-administration where a  
14 practitioner has determined and communicated orally or by written  
15 direction that such medication preparation assistance is necessary and  
16 appropriate. Medication assistance shall not include assistance with  
17 intravenous medications or injectable medications, except prefilled  
18 insulin syringes.

19 (15) "Person" means individual, corporation, government or  
20 governmental subdivision or agency, business trust, estate, trust,  
21 partnership or association, or any other legal entity.

22 (16) "Practitioner" means:

23 (a) A physician under chapter 18.71 RCW, an osteopathic physician  
24 or an osteopathic physician and surgeon under chapter 18.57 RCW, a  
25 dentist under chapter 18.32 RCW, a podiatric physician and surgeon  
26 under chapter 18.22 RCW, a veterinarian under chapter 18.92 RCW, a  
27 registered nurse, advanced registered nurse practitioner, or licensed  
28 practical nurse under chapter 18.79 RCW, an optometrist under chapter  
29 18.53 RCW who is certified by the optometry board under RCW 18.53.010,  
30 an osteopathic physician assistant under chapter 18.57A RCW, a  
31 physician assistant under chapter 18.71A RCW, a naturopath licensed  
32 under chapter 18.36A RCW, a pharmacist under chapter 18.64 RCW, or,  
33 when acting under the required supervision of a dentist licensed under  
34 chapter 18.32 RCW, a dental hygienist licensed under chapter 18.29 RCW;

35 (b) A pharmacy, hospital, or other institution licensed,  
36 registered, or otherwise permitted to distribute, dispense, conduct  
37 research with respect to, or to administer a legend drug in the course  
38 of professional practice or research in this state; and

1 (c) A physician licensed to practice medicine and surgery or a  
2 physician licensed to practice osteopathic medicine and surgery in any  
3 state, or province of Canada, which shares a common border with the  
4 state of Washington.

5 (17) "Secretary" means the secretary of health or the secretary's  
6 designee.

7 NEW SECTION. **Sec. 21.** If any provision of this act or its  
8 application to any person or circumstance is held invalid, the  
9 remainder of the act or the application of the provision to other  
10 persons or circumstances is not affected.

11 NEW SECTION. **Sec. 22.** Sections 5 through 9 of this act constitute  
12 a new chapter in Title 70 RCW.

13 NEW SECTION. **Sec. 23.** Section 12 of this act is necessary for the  
14 immediate preservation of the public peace, health, or safety, or  
15 support of the state government and its existing public institutions,  
16 and takes effect July 1, 2005."

**E2SHB 1291** - CONF REPT  
By Conference Committee

17 On page 1, line 2 of the title, after "practices;" strike the  
18 remainder of the title and insert "amending RCW 5.64.010, 4.24.260,  
19 18.130.160, 43.70.110, 43.70.250, and 43.70.510; reenacting and  
20 amending RCW 69.41.010; adding new sections to chapter 43.70 RCW;  
21 adding a new section to chapter 7.70 RCW; adding a new chapter to Title  
22 70 RCW; creating new sections; providing an effective date; and  
23 declaring an emergency."

--- END ---